

SCHUMER, NADLER CALL FOR CRACKDOWN ON MAKERS OF PHONY 9/11 COMMEMORATIVE COINS; COMPANY IS RAKING IN MILLIONS FROM NATIONAL TRAGEDY AND ROBBING 9/11 MEMORIAL OF MUCH NEEDED FUNDS

Monday, 24 January 2011

U.S. Senator Charles E. Schumer and U.S. Representative Jerrold Nadler called on the Federal Trade Commission (FTC) today to take immediate action to stop companies from peddling phony 9/11 commemorative coins and profiting off of the September 11th terrorist attacks. Their call comes in response to a new 10th anniversary coin issued by the company National Collector's Mint that deliberately misleads customers into believing that they are selling a government sanctioned coin made with silver from Ground Zero.

Schumer and Nadler passed legislation in July that created an official 9/11 medal to support the National September 11 Memorial & Museum at the World Trade Center. The sale of phony coins means that the National September 11 Memorial & Museum may lose out on millions of dollars worth of funds that could be raised through the sale of the official medals. They noted that every dollar spent on these phony coins is two dollars that could have gone to the memorial. The company, which was found guilty of fraud in 2004 for producing a similar coin, rakes in millions by selling virtually worthless products. Schumer and Nadler are asking FTC Chairman Jon Leibowitz to immediately crackdown on the company. Schumer and Nadler are also calling on the United States Mint place notice on their website alerting consumers to the phony coins.

"National Collector's Mint has no shame. By deceiving consumers into buying these worthless '9/11 commemorative coins,' this company is preying on the memories of that tragic day, generating millions in profits, and diverting potential funds to finance the 9/11 Memorial at Ground Zero," Schumer said. "We are calling on the FTC to crackdown on this unscrupulous company and send a loud message that profiteering off of a national tragedy will not be tolerated."

"With the tenth anniversary of 9/11 approaching, we should unfortunately expect more scams, as criminals and snake oil salesmen seek to profit from the deep emotional connection that millions of Americans have to that terrible tragedy," said Congressman Nadler. "We must act now -- and act with force -- to make it crystal clear that we will not tolerate 9/11 scams, and will prosecute swindlers to the fullest extent of the law."

In July 2010, Schumer and Nadler passed the National September 11th Memorial and Museum Commemorative Medal Act that authorized the striking of up to 2 million silver medals, to be issued throughout 2011 and 2012 for the purpose of raising money, through a matching program, for the 9/11 Memorial at Ground Zero. Each medal will be inscribed with the years 2001-2011 and the phrase "Always Remember." The design of the medals will be selected by the Treasury Secretary in consultation with the National September 11 Memorial & Museum and the Commission of Fine Arts, and reviewed by the Citizens Coinage Advisory Committee. The cost of each medal will be determined by the cost of production from the U.S. Mint and with the sale of each coin a \$10 donation will be made to the memorial and museum. Every dollar spent on the phony coins peddled by National Collector's Mint is two dollars that could have gone to the National September 11 Memorial & Museum.

National Collector's Mint has become infamous for attempting to profit off of the 9/11 terrorist attacks by creating so-called commemorative coins. In 2004, the company issued a "Freedom Tower Silver Dollar" that they falsely asserted was "legally authorized government issue." The company was charged with fraud and forced to pay more than \$2 million in refunds and cancellations, as well as \$369,000 in penalties. National Collector's Mint made \$11 million off the Freedom Tower coins, despite the fact that they were found to be worth less than 2 cents each. The company's latest coin again attempts to profit off of the 9/11 terrorist attacks by confusing consumers and suggesting these are official 10 year anniversary coins.

The coin sells at \$29.95 and makes several misleading claims in its television advertisement. First, the company's commercial makes the suggestion that the coins are government sanctioned and claims it "is minted under an exclusive license authorizing the official striking of the official Justice Department FBI insignia." Secondly, the

company claims the coins are made with silver recovered from the ashes of Ground Zero - an unsubstantiated claim that the company also made about their coins in 2004, but cannot be confirmed. Lastly, the company asserts that the coins are "clad in 14 mg of pure 24K gold and 14mg of .999 pure silver." Despite these assertions, the amount of precious metal in the coins amounts to less than .60 cents in value.

Schumer and Nadler are calling for the FTC to shut down National Collector's Mint's 9/11 coin operation and investigate their marketing practices. They are also requesting that the United States Mint post notice on their website that this coin is not government sanctioned and is not connected to the 9/11 Memorial Fund. Schumer and Nadler want the FTC to investigate the company and move to put an end to sales of these phony coins once and for all.

A copy of Schumer and Nadler's letters to the FTC and the U.S. Mint can be found below.

January 24, 2011

The Honorable Jon Leibowitz
Chairman, Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Leibowitz,

We write today to ask the Federal Trade Commission to take immediate action to stop companies from peddling phony 9/11 commemorative coins. Misleading television, print and internet advertisements describe the coins as "legally authorized government issue," made with steel from the World Trade Center, and clad in pure gold. These claims appear to be outright lies. The shameless hucksters seeking to make a profit by preying on Americans' emotionally-charged memories of that tragic day must be stopped.

The Commission plays a vital role in protecting consumers from fraudulent and deceptive practices. Under your leadership, Mr. Chairman, the FTC has been very active in cracking down on scam artists pitching everything from deceptive car warranties to phony flu remedies - but unfortunately new scams seem to crop up every day.

As we approach the 10-year anniversary of 9/11, we worry in particular about a proliferation of scams seeking to exploit the 9/11 tragedy for profit. We ask that you do everything within your authority to stop such scams. Commemorative coin scams may not be new, but the 9/11 coin scam surely represents an all-time low by reaping profits from our national tragedy.

Moreover, every dollar spent on these phony coins is a dollar that could go to the National September 11 Memorial and Museum. In 2010, we introduced and passed legislation authorizing the striking of up to 2 million silver medals, to be issued throughout 2011 and 2012. The purchase price of the medals, to be determined by the U.S. Mint based on the cost of production, will include a \$10 donation to the National September 11 Memorial and Museum at the World Trade Center. The donations from sales of the official silver medals will provide a significant source of funding for the operation and maintenance of the September 11 Memorial and Museum. The continued sale of phony 9/11 coins would seriously undermine that funding.

We urge you to determine whether companies that advertise and sell pseudo 9/11 commemorative coins violate any of the laws enforced by the Federal Trade Commission, and to act swiftly against any company violating such laws. This scam threatens the economic viability of the National September 11 Memorial and Museum. More importantly, however, this scam demeans the memory of 9/11 and the thousands of innocent civilians and first responders who died that day. We respectfully ask that you shut down this shameful scam.

Thank you for your prompt attention to this matter.

January 24, 2011

The Honorable Andrew Brunhart
Acting Director, United States Mint
801 9th Street, NW
Washington, DC 20220

Dear Acting Director Brunhart,

We write today to alert the United States Mint to the spread of misleading television, print and internet advertisements for phony 9/11 commemorative coins. These advertisements, which describe the coins as "legally authorized government issue" made with steel from the World Trade Center and clad in pure gold, appear to be outright lies.

We are aware that the United States Mint plays a vital role in protecting consumers from fraudulent and deceptive practices by listing ongoing scams on your website. We ask that you do everything within your authority to stop this scam, including listing the sale of these phony 9/11 commemorative coins on your website, to ensure that collectors do not fall for this consumer trap and purchase coins that have been marketed to them under false pretenses.

Commemorative coin scams may not be new, but the 9/11 coin scam surely represents an all-time low by reaping profits from our national tragedy. Moreover, every dollar spent on these phony coins is a dollar that could go to the National September 11 Memorial and Museum.

In 2010, we introduced and passed legislation authorizing the striking of up to 2 million silver medals, to be issued throughout 2011 and 2012. The purchase price of the medals, to be determined by the U.S. Mint based on the cost of production, will include a \$10 donation to the National September 11 Memorial and Museum at the World Trade Center. The donations from sales of the official silver medals will provide a significant source of funding for the operation and maintenance of the September 11 Memorial and Museum. The continued sale of phony 9/11 coins would seriously undermine that funding.

We urge you to list these phony 9/11 commemorative coins on your website and to act swiftly so that the sale of this virtually worthless product stops once and for all. This scam threatens the economic viability of the National September 11 Memorial and Museum. More importantly, however, this scam demeans the memory of 9/11 and the thousands of innocent civilians and first responders who died that day. We respectfully ask that you shut down this shameful scam.

Thank you for your prompt attention to this matter.